



Plan Choice Booklet



**90 days to choose
your plan**



WASHINGTON STATE

Department of Retirement Systems

90 DAYS TO CHOOSE YOUR PLAN

PLAN CHOICE BOOKLET

WELCOME TO WASHINGTON STATE PUBLIC SERVICE

As a public employee, you are eligible for retirement benefits administered by the Department of Retirement Systems (DRS). You have 90 days to choose between two pension plans—Plan 2 and Plan 3. Inside this booklet, you'll find information, tools and resources that will help you determine your goals for retirement and how to best meet them.

Carefully consider your options. As a newly eligible employee, once you make a choice, you cannot change plans. If you don't make a choice between plans within 90 days of becoming a public employee, you will automatically be placed in Plan 3, and you cannot later decide to become a member of Plan 2.

We understand how busy you are, so there's more than one way to use the information in this booklet. You can choose one of the following approaches:

- Head straight to the chart describing key differences between the plans on pages 4 and 5.
- Go through the step-by-step instructions for evaluating your personal situation, beginning on page 14.
- Skip to the step-by-step instructions for enrollment on page 17 if you've already made your decision.

Get up-to-date information on the [DRS website](#). You may also call us at 800-547-6657 between 8 am and 5 pm Monday–Friday, or email us (recep@drs.wa.gov).

Some readers of the *Plan Choice Booklet* are considering a transfer to Plan 3. Although new employees must make a plan decision within 90 days, members who were in Plan 2 before Plan 3 was created have the opportunity every January to decide to transfer to Plan 3. We've provided resources and information for those interested in making a transfer decision. See page 20.

Congratulations on your decision to become a public employee! We look forward to serving your retirement needs.

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This publication is intended to give you an overview of some features of Plans 2 and 3 for the Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS) and Teachers' Retirement System (TRS). It is not a legal document, nor is it a complete description of the law governing these plans. If there are any conflicts between what is written in this booklet and what is contained in the law, the current law governs.

1

**REVIEW THIS BOOKLET AND EVALUATE
YOUR PERSONAL SITUATION.**

2

**CHOOSE YOUR PLAN,
CHOOSE YOUR BENEFIT.**

Plan 2 has a guaranteed
lifetime benefit

Plan 3 has a guaranteed
lifetime benefit plus an
investment program you
select and contribute to

Plan 2 benefit formula
*2% x service credit
years x Average Final
Compensation*

Plan 3 benefit formula
*1% x service credit
years x Average Final
Compensation*

+

Your contributions and their
investment returns

3

**COMPLETE THE FORMS TO FORMALIZE
YOUR CHOICE.**

Even though your employer will begin taking Plan 2 contributions out of your paychecks, you will default to Plan 3 after 90 days of public-service employment if you do not formalize your choice.

Terms highlighted in **orange** appear in the glossary on page 22.

PLAN 2		PLAN 3
DEFINED BENEFIT	DEFINED BENEFIT	DEFINED CONTRIBUTION
PLAN STRUCTURE		
The benefit in Plan 2 is based on the length of time you've worked, your pay and your age at retirement. You will receive a benefit for the rest of your life. The payments are guaranteed by the state of Washington. Both you and your employer contribute to your plan.	This part of the benefit in Plan 3 is based on the length of time you've worked, your pay and your age at retirement. You will receive a benefit for the rest of your life. The payments are guaranteed by the state of Washington. Your employer contributes this part of your plan.	This part of the benefit is based on what you contribute to the plan and how the investments you select perform.
BENEFIT CALCULATION		
$2\% \times \text{service credit years} \times \text{Average Final Compensation} = \text{defined benefit}$	$1\% \times \text{service credit years} \times \text{Average Final Compensation} = \text{defined benefit}$	$\text{Your contributions} + \text{investment performance} = \text{defined contribution}$
CONTRIBUTION RATES		
Public Employees: 6.12% School Employees: 5.63% Teachers: 5.95% (As of this printing) <i>The most current rates can be found on the DRS website.</i>	Your employer contributes this part of your benefit; you do not.	You select your rate. You cannot change your rate unless you change employers. Option A: 5% all ages Option B: 5% up to age 35 6% ages 35-44 7.5% ages 45 and older Option C: 6% up to age 35 7.5% ages 35-44 8.5% ages 45 and older Option D: 7% all ages Option E: 10% all ages Option F: 15% all ages
THE ROLE OF INVESTMENTS		
Your contributions are invested by the Washington State Investment Board (WSIB). Your benefit is guaranteed and is not dependent on investment performance.	Your employer contributes this part of your benefit. Those contributions are invested by the WSIB. Your benefit is guaranteed and is not dependent on investment performance.	You choose how your contributions will be invested from a range of options provided by the WSIB. The amount of your benefit depends on the amount you contribute and the performance of your investments.
VESTING		
You earn the right to a monthly benefit in retirement when you have 5 years of service credit.	You earn the right to a monthly benefit in retirement after 10 years of service credit in most cases, or after 5 years of service credit, depending on your age and when your service credit was earned.	Vesting does not apply to this part of your benefit. You may withdraw the account balance if you leave employment or you may leave it in until you reach retirement.

PLAN 2

PLAN 3

DEFINED BENEFIT	DEFINED BENEFIT	DEFINED CONTRIBUTION
ELIGIBILITY FOR NORMAL RETIREMENT		
Age 65 or older with at least 5 service credit years	Age 65 or older with at least 10 service credit years , or Age 65 or older with at least five service credit years if at least 12 of those months were earned after the age of 44. Transfer members have a different retirement eligibility rule. See page 20.	There is no specific age requirement for this part of your benefit. You may access your money at any time after you leave employment.
ELIGIBILITY FOR EARLY RETIREMENT WITH A REDUCED BENEFIT		
Age 55 or older with at least 20 service credit years . There is less of a reduction to your benefit if you have at least 30 service credit years. Hired on or after May 1, 2013: Age 55 or older with at least 20 years of service credit . If you are age 55 with 30 years of service credit, your benefit reduction is 5 percent for each year (prorated monthly) before you turn age 65.	Age 55 or older with at least 10 service credit years . There is less of a reduction to your benefit if you have at least 30 service credit years. Hired on or after May 1, 2013: Age 55 or older with at least 10 years of service credit . If you are age 55 with 30 years of service credit, your benefit reduction is 5 percent for each year (prorated monthly) before you turn age 65.	There is no age requirement for this part of your benefit. You may withdraw your money at any time after you leave employment.
LEAVING EMPLOYMENT BEFORE YOU'RE ELIGIBLE TO RETIRE		
Your money can remain in the plan or you can withdraw your contributions and the interest they've earned. However, if you withdraw, you give up your right to a future retirement benefit.	You don't contribute to the defined benefit part of your plan. Your employer makes those contributions, and you cannot withdraw them.	Your money can remain in the plan, or you can access your contributions and investment earnings. A variety of distribution options are available.
COST-OF-LIVING ADJUSTMENTS (COLAS)		
On July 1 of every year after your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, up to a maximum of 3 percent per year.	On July 1 of every year after your first full year of retirement, your monthly benefit will be adjusted by the percentage change in the Consumer Price Index, up to a maximum of 3 percent per year.	There are no Cost-of-Living Adjustments for the defined contribution part of your benefit.
HEALTH CARE COVERAGE IN RETIREMENT		
Health care coverage might be provided by the Public Employees Benefits Board (PEBB). For information, contact your current employer. You may also contact PEBB at www.hca.wa.gov/pebb , 360-725-0440 or 800-200-1004.		
To qualify, you must elect coverage within 60 days of termination and begin receiving your retirement benefit as soon as you leave employment. If you delay receiving your retirement benefit, you will not be eligible for health care coverage under PEBB.	To qualify, you must elect coverage within 60 days of termination. As long as you meet the age and service requirements of the plan (age 55 or older with 10 or more years of service credit), you can delay receiving your retirement benefit and still be eligible for PEBB coverage.	Leaving your contributions in the plan or starting to draw them does not impact your eligibility for health care coverage under PEBB.

INSIGHT INTO PLAN 2

Plan 2 has one part—a 2 percent **defined benefit** plan. You and your employer contribute to your plan. Your benefit does not depend on the amount of the contributions.

A 2 PERCENT DEFINED BENEFIT PLAN

Once you meet age and service requirements and you’ve applied for retirement, you will receive a guaranteed monthly benefit for your lifetime. Your benefit is based on your years of service credit and the pay you’ve earned. Payments are guaranteed by the state of Washington.

The two-percent defined benefit formula used to calculate your retirement is:

$2\% \times \text{service credit years} \times \text{Average Final Compensation}$

HOW IT WORKS

If you worked full time every month for 15 years and your average pay for your highest consecutive five years was \$4,000, your monthly benefit would be \$1,200.

$2\% \times 15 \text{ SCY} \times \$4,000 \text{ AFC} = \$1,200 \text{ monthly benefit}$

CONTRIBUTION RATES

Mandatory contributions made you and your employer make fund Plan 2. WSIB invests those contributions. Member contributions are deducted from your paychecks, and you can see your deducted contributions on your pay stub. Contribution rates change over time, based on funding needs of the plan.

PLAN 2 MANDATORY MEMBER CONTRIBUTION RATES (AS OF THIS PRINTING)	
Public Employees' Plan 2	6.12%
School Employees' Plan 2	5.63%
Teachers' Plan 2	5.95%
Public Employees' rates typically change in July. School Employees' and Teachers' rates typically change in September. You can find up-to-date contribution rate information on the DRS website.	

Quick Facts

Important deadline: Your plan choice is permanent. If you don’t choose a plan within 90 days, you will default into Plan 3. Whether you choose your plan, or you’re defaulted into Plan 3, you can’t change later.

A 2 percent defined benefit is a guaranteed pension for Plan 2 members based on your service credit and pay. The amount you and your employer contribute does not determine your retirement benefit.

Definitions

Average Final Compensation (AFC) is the monthly average of your 60 consecutive highest paid service credit months.

Service Credit Years (SCY) are calculated by dividing your total service credit months by 12.

Both AFC and SCY are used to determine your benefit when you retire.

RETIREMENT—AGE AND SERVICE CREDIT REQUIREMENTS

Retirement with a full benefit—age 65 with at least five years of service credit

If you take a **normal retirement**, you will receive a full benefit.

Early retirement with a reduced benefit if you were hired on or after May 1, 2013—age 55 with 20 or more years of service credit

Your monthly benefit will be reduced for each year (prorated monthly) before you turn age 65 to reflect that you will receive a monthly benefit over a longer period of time. The amount of your reduction depends on your age. The earlier you retire, the larger the reduction.

There is less of a benefit reduction for **early retirement** if you have 30 or more years of service credit.

Your benefit will be reduced by 5 percent for each year (prorated monthly) before you turn age 65. Again, the earlier you retire, the larger the reduction.

Leaving employment before you're eligible to retire

Your plan is designed to provide you with a source of income throughout your retirement. For this reason, you may not borrow from or against your contributions at any time.

It is possible to withdraw your contributions and the **interest** they've earned at any time after you leave all public service. However, if you do, you give up your right to a future retirement benefit. You may not withdraw your employer's contributions under any circumstances.

When you leave employment without starting to receive a retirement benefit, you can leave your money in the plan if you do, it will continue to earn interest. If you have at least five years of service credit, you are **vested** in the plan. Then, once you turn 65 you can retire and receive a **full retirement** benefit.

If you withdraw your contributions and later return to public service, you might be able to recover your withdrawn service credit by making a one-time purchase. See [Plan 2 Recovery of Withdrawn or Optional Service Credit](#) on the [DRS website](#) or call 360-664-7000 or 800-547-6657, to request a copy.

Quick Facts

Early retirement consideration:
The earlier you retire, the larger your benefit reduction will be.

INSIGHT INTO PLAN 3

Plan 3 has two parts—a **defined benefit** and a **defined contribution**. Your employer contributes to your defined benefit. You contribute to the defined contribution. You choose your investment program and contribution rate for the defined contribution part of your plan. Once chosen, your defined contribution rate is permanent unless you change employers.

A 1 PERCENT DEFINED BENEFIT PLAN

Once you meet age and service requirements and you've applied for retirement, you will receive a guaranteed monthly benefit for your lifetime. Your benefit is based on your years of service credit and the pay you've earned. Payments are guaranteed by the state of Washington.

The 1 percent defined benefit formula used to calculate your retirement is:

$$1\% \times \text{SCY} \times \text{AFC}$$

HOW IT WORKS

If you worked full time every month for 15 years and your average pay for your highest consecutive five years was \$4,000, your defined benefit would be \$600.

$$1\% \times 15 \text{ SCY} \times \$4,000 \text{ AFC} = \$600 \text{ monthly benefit}$$

Quick Facts

Important deadline: Your plan choice is permanent. If you don't choose a plan within 90 days, you will default into Plan 3. Whether you choose your plan or you're defaulted into Plan 3, you can't change later.

A 1 percent defined benefit is a guaranteed pension for Plan 3 members based on your service credit and pay. The amount your employer contributes does not determine your monthly benefit.

Definitions

Average Final Compensation (AFC) is the monthly average of your 60 consecutive highest paid service credit months.

Service Credit Years (SCY) are calculated by dividing your total service credit months by 12.

Both AFC and SCY are used to determine your benefit when you retire.

CONTRIBUTION RATES

Mandatory contributions your employer makes funds the **defined benefit** part of Plan 3. WSIB invests these funds. The 1 percent defined benefit part of your plan is guaranteed and is not dependent on investment performance. Employer contribution rates change over time, based on funding needs of the plan.

A DEFINED CONTRIBUTION PLAN

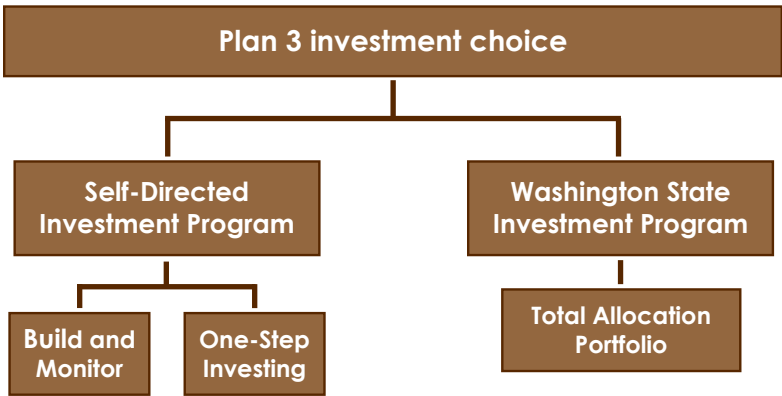
Mandatory contributions you make fund the **defined contribution** part of Plan 3. You choose how much to contribute from one of these six rate options:

PLAN 3 MANDATORY MEMBER CONTRIBUTION RATES	
Option A:	5% all ages
Option B:	5% up to age 35, 6% ages 35 through 44, or 7.5% age 45 and older
Option C:	6% up to age 35, 7.5% ages 35 through 44, or 8.5% age 45 and older
Option D:	7% all ages
Option E:	10% all ages
Option F:	15% all ages
If you don't choose a contribution rate, it will default to Option A, 5% for all ages.	

Once your rate is set, you can change it only when you change employers. Changing means working for a different employer, not another division or department at your current workplace.

INVESTMENT PROGRAMS

The **defined contribution** part of Plan 3 offers you the choice between two investment programs: The Self-Directed Investment Program and the Washington State Investment Program.



1) The Self-Directed Investment Program

If you choose the Self-Directed Investment Program, you can take two different approaches. One is the Build and Monitor approach, and the other is One-Step Investing.

BUILD AND MONITOR—YOU SELECT, MONITOR AND ADJUST YOUR INVESTMENTS

With Build and Monitor, you select your own mix of individual funds and decide how much to invest in each one. You choose from a menu of professionally managed funds listed in the chart below. The **risk** and **return** profiles of the funds range from high to low. You are responsible for monitoring your investments and making changes as you near retirement.

BUILD AND MONITOR FUNDS
Emerging Market Equity Index
U.S. Small Cap Value Equity Index
Global Equity Index
U.S. Large Cap Equity Index
Socially Responsible Balanced
Washington State Bond
Short Term Investment Fund

ONE-STEP INVESTING—
YOUR INVESTMENTS ARE AUTOMATICALLY ADJUSTED FOR YOU

The One-Step Investing approach is made up of 12 Retirement Strategy Funds. Each one is diversified and **automatically rebalances**, adjusting your **asset mix** as you move toward a **target date** for retirement that meets your needs and lifestyle.

To select the Retirement Strategy Fund that’s right for you, take the year you were born and add it to the age you expect to retire or withdraw your funds. The sum is your target date.

HOW IT WORKS

1968 (birth year) + 65 (retirement age) = 2033 (target date)

Pick the fund with the date closest to your target date (in our example above, 2035 would be the target date):

RETIREMENT STRATEGY FUNDS	
2060	2025
2055	2020
2050	2015
2045	2010
2040	2005
2035	Maturity Strategy*
2030	

* The Retirement Maturity Strategy Fund is for investors who have been retired for 15 years or more.

2) The WSIB Investment Program

If you choose to have your contributions directed to the WSIB Investment Program, WSIB will invest them in its **Total Allocation Portfolio** (TAP). A monthly valued fund, the TAP is a diversified **portfolio** of U.S. and international stocks, bonds, private equity and real estate investments.

IF YOU DO NOT MAKE AN INVESTMENT PROGRAM SELECTION

If you do not select either the Self-Directed or WSIB Investment Program, your contributions will default into the Self-Directed Investment Program. In this case, all of your contributions will be invested in the Retirement Strategy Fund that assumes you’ll retire at age 65.

RETIREMENT—AGE AND SERVICE CREDIT REQUIREMENTS

Retirement with a full benefit—age 65

If you have at least 10 years of **service credit** and you're age 65, you can retire with a full benefit.

If you have at least five years of service credit, you can retire at age 65 with a full benefit if you earned at least one of your five years of service credit after age 44.

HOW IT WORKS

You're age 47 and have five years of service credit. You earned three years of service credit after the age of 44. You choose to leave public service and begin drawing from the **defined contribution** part of your plan. You plan to delay receiving your **defined benefit** until age 65.

Because you have earned at least one year of service credit after age 44, you can retire with a full benefit at age 65 even though you only have five years of service credit.

Transfer members have a different eligibility requirement. Please see page 20.

Early retirement with a reduced benefit—ages 55 to 64 with at least 10 years of service credit

If you retire early, your monthly benefit is reduced to reflect that you will receive it for a longer period of time. The earlier you retire, the larger the reduction.

There is less of a benefit reduction for **early retirement** if you have 30 or more years of service credit.

Your benefit will be reduced by 5 percent for each year (prorated monthly) before you turn age 65. Again, the earlier you retire, the larger the reduction.

Quick Facts

If you have at least 20 years of service credit when you separate from service, your Plan 3 defined benefit will increase by about 3 percent per year that you delay receiving your monthly benefit, up to age 65.

Leaving employment before you're eligible to retire

The **defined benefit** part of your plan is designed to provide you with a source of income throughout your retirement. For this reason, you can't withdraw the contributions your employer makes to this part of your plan.

If you have at least 20 years of **service credit** when you leave employment and do not start receiving your defined benefit, it will increase by about 3 percent each year you delay receiving it, up to age 65. If you have 10 years of service credit, you are **vested** in the plan. Once you turn 65, you can retire and receive a full retirement benefit. For an exception to this rule, see "Retirement with a full benefit" on the previous page.

As a Plan 3 member, it is possible to withdraw your contributions and investment earnings from your defined contribution at any time after you leave all public service. However, if you do, you could reduce an important source of your retirement income.

Quick Fact

As a Plan 3 member, you're eligible for your defined benefit after you meet the age and service credit requirements, regardless of whether you've withdrawn money from the defined contribution part.

EVALUATING YOUR PERSONAL SITUATION

WHAT TO CONSIDER BEFORE CHOOSING A PLAN

What kind of retirement do you want? There are a number of things you should consider before choosing a plan. Think about the type of person you are, how much time you have until retirement and how involved you want to be in managing your investments.

Use the checklist below to select the plan elements that best fit your needs.

CHOOSE YOUR BENEFITS, CHOOSE YOUR PLAN	
PLAN 2	PLAN 3
<input type="checkbox"/> A plan that's managed for you	<input type="checkbox"/> A plan with two parts One that's managed for you and one you manage yourself
<input type="checkbox"/> No personal investments	<input type="checkbox"/> Choose your personal investments
<input type="checkbox"/> One predetermined contribution rate that may vary over time	<input type="checkbox"/> Choose from six contribution rates
<input type="checkbox"/> Earliest you can retire 20 service credit years at age 55	<input type="checkbox"/> Earliest you can retire 10 service credit years at age 55
<input type="checkbox"/> Health insurance in retirement You must begin receiving your retirement benefit as soon as you leave employment, or you will forfeit PEBB coverage	<input type="checkbox"/> Health insurance in retirement You can delay receiving your retirement benefit and still be eligible for PEBB coverage

How do you decide which plan is best for you? Several resources are available to help you decide. You might need to use one or more of these resources to make your Plan Choice decision while considering your own financial situation.

RETIREMENT PLANNING CALCULATORS

There are five quick, easy-to-use calculators designed to provide guidance in your financial and retirement planning. The calculators are available at www.drs.wa.gov/education/.

FREE PLAN CHOICE AND PLAN 3 ESSENTIALS

The Plan Choice seminar covers the similarities and differences between Plan 2 and Plan 3 to assist you in making your decision.

The Plan 3 Essentials seminar provides an overview of Plan 3, as well as the contribution rate and investment option decisions you'll need to make if you decide to join Plan 3.

You'll find the seminar schedules at www.drs.wa.gov/seminars. From the Education menu, select Retirement Planning Seminar available online. Plan 3 Education Webinars are also available at www.drs.wa.gov/education/.

ONLINE BENEFIT ESTIMATORS

Sign up for online account access on the DRS website at www.drs.wa.gov/oa/. You can try out a variety of retirement scenarios to see what will work best for you.

PHONE SUPPORT CENTER AND EMAIL FOR QUESTIONS

You can call 866-745-5766 between 8 am and 5 pm Monday–Friday to speak with a representative who can assist you.

You can also email your questions to recep@drs.wa.gov.

Other sources of retirement income

As you’re deciding whether to join Plan 2 or Plan 3, consider all other sources of retirement income you expect to have. Do you qualify for Social Security benefits? Do you have savings in other retirement plans from past employers? Do you have an IRA? Gather the information on your other sources of retirement income and determine what your projected monthly benefit will be. A standard practice for estimating retirement income needs is to base it on 80 percent of your income five to 10 years before you retire. Use this figure and the projected monthly benefit of your other sources of income to help determine whether you should join Plan 2 or Plan 3.

If you’ve discovered in your projection that you’ll need more income in retirement, consider joining the Washington State Deferred Compensation Program (DCP). As a supplemental savings program, DCP offers you the opportunity to invest money toward securing the retirement you envision. Whether you’ve been saving for years or are just getting started, DCP offers an excellent opportunity to enhance your financial future. Check with your employer to find out if DCP is offered. If it is not available to you, tell your employer you would like to have access to it.

If you are participating in other tax-deferred plans your employer offers, your Plan 3 contributions may limit your ability to contribute to these plans. Consult the IRS and/or a tax advisor for more information.

HOW TO JOIN THE PLAN THAT'S RIGHT FOR YOU

One you make your decision, go to the step-by-step instructions for enrolling in either Plan 2 or Plan 3, beginning on the next page. **It’s important to remember that you will default into Plan 3 if you don’t turn in your forms within 90 days of becoming a public employee.**

FORMS TO COMPLETE	
PLAN 2	PLAN 3
<input type="checkbox"/> Member Information Form	<input type="checkbox"/> Member Information Form
<input type="checkbox"/> Member/Retiree/Participant Beneficiary Designation	<input type="checkbox"/> Member/Retiree/Participant Beneficiary Designation

Quick Fact

Go to www.drs.wa.gov/dcp to learn more about the Deferred Compensation Program.

IF YOU DECIDE TO JOIN PLAN 2

1. Turn to page 25, remove the [Member Information Form](#) and complete it. Return the completed form to your employer. This will ensure your employer takes the correct contributions from your pay and reports you in the correct plan. After your employer forwards the form to us, you will receive a letter confirming your decision to join Plan 2.
2. Turn to page 27 and tear out the [Beneficiary Designation](#). Follow the instructions. Return the completed form to DRS.

IF YOU DECIDE TO JOIN PLAN 3

1. Turn to page 25, remove the [Member Information Form](#) and complete. In Section 3, you must select a contribution rate (see “Choosing a contribution rate” below). In Section 4, you must select an investment program (see “Deciding on an investment program” on page 19).
2. Return the completed form to your employer. This will ensure your employer takes the correct contributions from your pay and reports you in the correct plan. After your employer forwards the form to us, you will receive a letter confirming your decision to join Plan 3.
3. If you select the Self-Directed Investment Program, you must choose your investments. You can do this by signing up for or logging into your account on the [DRS website](#). You can also call Empower at 866-745-5766. You will receive a confirmation letter when the transaction has been completed.
4. Turn to page 27 and remove the [Beneficiary Designation](#). Follow the instructions. Return the completed form to DRS.

CHOOSING A CONTRIBUTION RATE

Ideally, you want to make your choice based on three considerations: retirement income needs, years until retirement and current budget. Remember, you can only change your contribution rate if you change employers.

Quick Fact

State-registered domestic partners have the same survivor and death benefits as married spouses.

Contact the Office of the Secretary of State if you have questions about domestic partnerships.

To come up with a target retirement income, it's standard practice to base it on about 80 percent of what you believe your income will be five to 10 years before you retire.

HOW IT WORKS

If you believe you'll be making \$50,000 annually by the time you're ready to retire, you might estimate needing \$40,000 per year to maintain your standard of living in retirement ($\$50,000 \times 80\% = \$40,000$).

Tools are available to help you determine the impact and benefits of different contribution rates.

- **Take-Home Pay Estimator:** This tool estimates the effect of the six contribution rates on your take-home pay. From the website , go to the Education menu and select Calculators.
- **Disbursement Calculator:** This tool estimates what an ending account balance will pay monthly during retirement, given an estimated growth rate and your contributions to the plan. From the website www.drs.wa.gov/education/, go to the Education menu and select Retirement Planning Calculators.
- **Benefit Estimator:** To estimate your **defined benefit**, sign up for [online account access](#).

Here's one way you might use these tools:

- Estimate your salary at retirement. You might want to have both high and low estimates.
- Use the Self-Estimate Worksheets to create an estimate of the defined benefit (guaranteed) portion of your account.
- Use the disbursement calculator (mentioned above) to estimate your **defined contribution** payment.

Do the defined benefit and the defined contribution equal 80 percent of your estimated salary at retirement? If it's less than 80 percent, consider:

- Choosing a higher contribution rate (use the take-home pay estimator mentioned above to see the effect of different rates on your current budget)
- Starting a voluntary retirement or personal investment account to make up the difference, such as the state's [Deferred Compensation Program](#) (DCP). You can join for as little as \$30 per month, increase or stop your deferrals whenever you choose, and help build your retirement portfolio.

DECIDING ON AN INVESTMENT PROGRAM

WSIB TAP

If you choose to have your contributions directed to the WSIB Investment Program, they will be invested in the WSIB's **Total Allocation Portfolio** (TAP). A monthly valued fund, the TAP is a diversified **portfolio** of U.S. and international stocks, bonds, private equity and real estate investments.

Self-Directed Investment Program

Within the Self-Directed Program, you can choose one of two approaches. To determine which one might be right for you, ask yourself these questions:

- Do I want to select my own mix of individual funds?
- Am I comfortable deciding how much to invest in each fund?
- Do I have the time to keep an eye on my investments and make changes as I get closer to retirement?

If the answer to any of these questions is yes, you might be interested in the Build and Monitor approach to investing. If the answer to any of these questions is no, you might be interested in the One-Step Investing approach.

If you choose from the seven investment funds as part of the Build and Monitor approach to investing, you will be responsible for monitoring your account balances and periodically rebalancing if necessary to maintain your investment objectives.

The One-Step Investing approach is designed for those who answered no to any of the questions above. If you don't have the desire, comfort level and/or time to select your own mix of funds, monitor them and make changes, putting your investments in a Retirement Strategy Fund might be right for you.

More information on both WSIB's TAP program and the Self-Directed Investment Program is available in the Investments section of the Plan 3 website at www.drs.wa.gov/plan3

IF YOU DECIDE TO TRANSFER FROM PLAN 2 TO PLAN 3

Every January, some Plan 2 members have the opportunity to transfer to Plan 3. Eligible members were in Plan 2 before the creation of Plan 3.

To find out if you can transfer, you need to know when you were hired.

SYSTEM	WHEN WERE YOU HIRED?
PERS	<ul style="list-style-type: none"> • Before March 1, 2002, for state agencies and higher education employers • Before Sept. 1, 2002, for local government employers
SERS	<ul style="list-style-type: none"> • Before July 1, 2007 • After July 1, 2007, through July 31, 2009, if you have past PERS Plan 2 service
TRS	<ul style="list-style-type: none"> • Before July 1, 2007

You qualify to transfer if the dates above apply to you.

To complete your transfer to Plan 3, you must:

- Be working
- Be earning service credit during the January in which you transfer
- Complete your *Member Information Form* and turn it into your employer by Jan. 31.

Once you transfer to Plan 3, you cannot go back to Plan 2.

RETIREMENT ELIGIBILITY FOR TRANSFER MEMBERS

In addition to the retirement eligibility described on page 12, transfer members with five years of service credit can retire at age 65 under the following circumstances:

- PERS: Service credit earned before June 1, 2003
- SERS: Service credit earned before Sept. 1, 2000
- TRS: Service credit earned before July 1, 1996

Steps to complete the transfer

1. Turn to page 25, tear out the *Member Information Form* and complete. In Section 2, be sure to complete B as a transfer member. In Section 3, you must select a contribution rate. See “Choosing a contribution rate” on page 17 to help you make your decision. In Section 4, you must choose an investment program. Read the “Deciding on an investment program” section on page 19 to help you make your decision. Return the completed form to your employer.
2. If you select the Self-Directed Investment Program, you must choose your investments. To do this sign up for or log in to your account at <http://www.drs.wa.gov/aaa/>. You can also call Empower at 866-745-5766. You will receive a confirmation letter when the transaction has been completed.
3. To ensure your beneficiary designation is up to date, complete the form on page 27 and return it to DRS.

GLOSSARY

Asset mix: An investment portfolio that is invested in any combination of the three major classes of assets: (1) cash and equivalents, (2) fixed income instruments (bonds), and (3) equity instruments (common stocks or ordinary shares).

Automatic rebalancing: For Plan 3 members who choose One-Step Investing, a feature that adjusts your asset mix as you move toward a target date that meets your needs and lifestyle.

Average Final Compensation (AFC): The monthly average of your 60 highest paid consecutive service credit months.

Cost-of-Living Adjustment (COLA): In Plan 2 and in the defined benefit part of Plan 3, on July 1 of every year following your first full year of retirement, your monthly benefit is adjusted by the percentage change in the Consumer Price Index, to a maximum of 3 percent per year. This percentage change can increase or decrease your benefit.

Defined benefit: A predetermined retirement benefit, also called a pension plan.

- For Plan 2, your defined benefit equals: $2 \text{ percent} \times \text{your SCY} \times \text{your AFC}$. Both you and your employer make contributions to your defined benefit.
- For Plan 3, your defined benefit equals: $1 \text{ percent} \times \text{your SCY} \times \text{your AFC}$. Your employer makes contributions to the defined benefit part of your plan.

Defined contribution: For Plan 3 members, an amount based on your contributions and the performance of the investments you choose. Investment returns (both gains and losses) are applied to your account.

Domestic Partner: Qualified domestic partners have the same survivor and death benefits as married spouses. However, differences could occur in how taxes are handled at the federal level. In a qualified domestic partnership, both individuals have met the state's legal requirements and registered their partnership with the Office of the Secretary of State or another jurisdiction. Contact the Office of the Secretary of State if you have questions about the requirements.

Early retirement: In most cases, if you retire before you turn age 65, your monthly benefit is reduced to reflect the fact that you will receive it over a longer period of time. The amount of the reduction depends on how much younger than age 65 you are when you retire and the amount of service credit you have.

Full retirement: For all members, a retirement benefit that is not reduced because you retired from public service at age 65 (or ages 62 to 64 in some cases).

Interest: An amount that your contributions earn. Also called interest rate.

Lump sum payment: A single payment to you for the total amount due.

Normal retirement: The age you're entitled to receive a full retirement benefit.

Pension: Your retirement benefit.

Portfolio: A collection of investments.

Public service: Government employment.

Return: A measure of how your investments perform. Returns consist of interest, dividends, and gains or losses in the value of the principal. Your investment returns can be positive or negative.

Risk: The probability that an investment will lose value or fail to gain in value.

Service credit months for public employees:

Members earn:

- One month of service credit for each calendar month in which they were paid for 90 or more hours
- One-half service credit for any calendar month in which they were paid for fewer than 90 but at least 70 hours
- One-quarter service credit for any calendar month in which they were paid for fewer than 70 hours in a calendar month.

Members cannot earn more than one service credit during one calendar month.

Service credit months for teachers and school employees: Members earn 12 months of service credit for each school year. These are the nine months from Sept. 1 through Aug. 31. To earn the service credit, the member must:

- Begin work in September
- Work at least nine months of the school year
- Be paid for at least 810 hours

To earn six service credit months for a school year, the member must:

- Begin work in September
- Work at least nine months of the school year
- Be paid for at least 630 hours but fewer than 810 hours

Beginning with the 2008/2009 school year, to earn six service credit months for a school year, the member must:

- Work at least five months within a six-month period; and
- Be paid for at least 630 hours.

If a member does not meet any of the other service credit requirements, service credit will be determined as follows:

- One service credit month for any calendar month in which the member is paid for at least 90 hours.
- One-half service credit month for any calendar month in which the member is paid for fewer than 90 but at least 70 hours.
- One-quarter service credit month for fewer than 70 hours in a calendar month.

Service credit years (SCY): We calculate your service credit years by dividing your total service credit months by 12. Twelve months equals one year of service credit.

Target date: The year you plan to retire or begin receiving money from your Plan 3 account.

Total Allocation Portfolio: An investment program that is determined, managed and continuously rebalanced by the Washington State Investment Board.

Vested: The point at which you have earned a defined benefit. Plan 2 members are vested after earning five years of service credit. In Plan 3, you are vested after earning 10 years of service credit in most cases or after five years of service credit, depending on your age and when your service credit was earned. However, you have no vesting requirements for the defined contribution part of your benefit and may take distributions at any time after you leave public employment.

[illegible]



Member Information Form

Return the completed form to your employer.

Employers send completed form to:
Department of Retirement Systems
PO Box 48380 • Olympia, WA 98504-8380

www.drs.wa.gov • Toll Free: 800.547.6657
Olympia Area: 360.664.7000 • TTY: 711

For plan, contribution rate and investment program selection

New members

Choosing Plan 2 - Complete Sections 1 and 2A
Choosing Plan 3 - Complete Sections 1, 2A, 3 and 4
and submit to your employer within 90 days of your
date of hire

Returning Plan 2 members

Do not need to complete this form

Returning Plan 3 members

Complete Sections 1, 3 and 4 and submit to your
employer within 90 calendar days of your date of hire

Members transferring from Plan 2 to Plan 3

Complete Sections 1, 2B, 3 and 4

Check One

- ☐ TRS
Teachers' Retirement System
- ☐ SERS
School Employees' Retirement System
- ☐ PERS
Public Employees' Retirement System

Section 1: Personal Data – to be completed by all members

Name (Last, First, Middle)		Maiden Name	Social Security Number
Mailing Address			
City	State	ZIP	Phone Number

Section 2: Retirement Plan Selection complete either A or B below

A) To be completed by new members.

Choose One

- ☐ Plan 2
- ☐ Plan 3
(complete sections 3 and 4 on back)

I certify that I have chosen the retirement plan
marked above. I understand that my retirement
plan selection is permanent.

B) To be completed by any Plan 2 member eligible to transfer to Plan 3.

I certify that I have chosen to transfer from Plan 2
to

Plan 3. I understand that my selection of Plan 3
is permanent. I have provided the information
requested in sections 3 and 4 on the back of this
form.

Member Signature (required)

Member Signature (required)

Date

Date

Please sign and date this form on the day that you
submit it to your employer. Note: You will be
assigned to Plan 3 if your employer has not received
your plan selection within 90 calendar days from your
date of hire.

Please sign and date this form on the day that you
submit it to your employer.



Section 3: Selection of Contribution Rate – to be completed by all Plan 3 members

Choose a contribution rate option below. If you do not choose an option, your default will be Option A. Once established by selection or default, you may only change your rate option with future applications for substitute service credit unless you obtain employment in an eligible non-substitute position.

	Age	Member Contribution Rate
<input type="checkbox"/> Option A	All ages	5.0%
<input type="checkbox"/> Option B	Up to age 35 Age 35 to 44 Age 45 and above	5.0% 6.0% 7.5%
<input type="checkbox"/> Option C	Up to age 35 Age 35 to 44 Age 45 and above	6.0% 7.5% 8.5%
<input type="checkbox"/> Option D	All ages	7.0%
<input type="checkbox"/> Option E	All ages	10.0%
<input type="checkbox"/> Option F	All ages	15.0%
Member Signature (required)		Date

Section 4: Selection of Investment Program – to be completed by all Plan 3 members

Choose an investment program. If you do not choose an investment program, you will be defaulted into the Self-Directed Investment Program and all of your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65.

☐ **Washington State Investment Board (WSIB) Investment Program**

☐ **Self-Directed Investment Program**

You must choose how your contributions will be invested. You may do so online at www.drs.wa.gov.org/plan3, or by phone at 888-327-5596. If you do not choose your investment allocations, your contributions will be invested in the Retirement Strategy Fund that assumes you'll retire at age 65.

You can obtain information about both investment programs by contacting Empower Retirement at 888-327-5596.

Member Signature (required)	Date
-----------------------------	------

Return Completed form to your employer

Section 5: To be completed by employer

Print or type employer name and mailing address below:

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Reporting Group

Employers: Mail the original of this form to DRS only if Section 2 was required.

Department of Retirement Systems (DRS) requires that you provide your Social Security number for this form.

- ▶ DRS will use your Social Security number as a reference number and to ensure that any funds disbursed under your account are correctly reported to the IRS.
- ▶ DRS will not disclose your Social Security number unless required by law.
- ▶ Internal Revenue Code Sections 6041(a) and 6109 allow DRS to request your Social Security number.



Beneficiary Designation

This form allows members, retirees, survivors, legal-order payees and those separated from service to name or update their benefit recipients.

Send completed form to:
Department of Retirement Systems
PO Box 48380 • Olympia, WA 98504-8380
www.drs.wa.gov • 800.547.6657
360.664.7000 • TTY: 711

Important Information

Members can make this change quickly online at www.drs.wa.gov/oa. Any current primary beneficiaries you've named will appear. You can then edit them or even copy them to another retirement system or program. If you use a paper form to submit your choices, only your primary beneficiaries will appear online until you add contingent beneficiaries in your online account. If you decide to fill out this paper form, please return it to DRS, not your employer.

Personal Information

Name (Last, First, Middle)		Social Security Number											
Mailing Address	City	State	ZIP										
Date of Birth (mm/dd/yyyy)	Phone Number	Alternate Phone Number											
Email Address													
My Status (Check All That Apply) <input type="checkbox"/> Member (active or inactive): I am a DRS member who contributes (active) or has contributed to (inactive) a DRS retirement system and/or participates in DCP. <input type="checkbox"/> Retiree: I am a DRS member who contributed to a retirement system and is now collecting a retirement benefit. <input type="checkbox"/> Survivor: I am receiving a benefit from a deceased DRS member's or retiree's account. <input type="checkbox"/> Legal-Order Payee: I have been awarded a portion of a DRS retirement benefit.													
Are you receiving money from someone else's account? <input type="checkbox"/> Yes (Provide Name and Social Security Number Below) <input type="checkbox"/> No													
Account Holder's Name (If Different from Above)		Social Security Number (If Different from Above)											
Retirement System and/or Program <table border="0"><tr><td><input type="checkbox"/> Apply to All My Retirement Plans/Programs</td><td><input type="checkbox"/> Washington State Patrol Retirement System (WSPRS)</td></tr><tr><td><input type="checkbox"/> Public Employees' Retirement System (PERS)</td><td><input type="checkbox"/> Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)</td></tr><tr><td><input type="checkbox"/> Teachers' Retirement System (TRS)</td><td><input type="checkbox"/> Public Safety Employees' Retirement System (PSERS)</td></tr><tr><td><input type="checkbox"/> School Employees' Retirement System (SERS)</td><td><input type="checkbox"/> Judicial Retirement System (JRS)</td></tr><tr><td><input type="checkbox"/> Deferred Compensation Program (DCP)</td><td><input type="checkbox"/> Judges' Retirement Fund (JRF)</td></tr></table>				<input type="checkbox"/> Apply to All My Retirement Plans/Programs	<input type="checkbox"/> Washington State Patrol Retirement System (WSPRS)	<input type="checkbox"/> Public Employees' Retirement System (PERS)	<input type="checkbox"/> Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)	<input type="checkbox"/> Teachers' Retirement System (TRS)	<input type="checkbox"/> Public Safety Employees' Retirement System (PSERS)	<input type="checkbox"/> School Employees' Retirement System (SERS)	<input type="checkbox"/> Judicial Retirement System (JRS)	<input type="checkbox"/> Deferred Compensation Program (DCP)	<input type="checkbox"/> Judges' Retirement Fund (JRF)
<input type="checkbox"/> Apply to All My Retirement Plans/Programs	<input type="checkbox"/> Washington State Patrol Retirement System (WSPRS)												
<input type="checkbox"/> Public Employees' Retirement System (PERS)	<input type="checkbox"/> Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)												
<input type="checkbox"/> Teachers' Retirement System (TRS)	<input type="checkbox"/> Public Safety Employees' Retirement System (PSERS)												
<input type="checkbox"/> School Employees' Retirement System (SERS)	<input type="checkbox"/> Judicial Retirement System (JRS)												
<input type="checkbox"/> Deferred Compensation Program (DCP)	<input type="checkbox"/> Judges' Retirement Fund (JRF)												

Please complete the other side of this form as well.

The Department of Retirement Systems (DRS) requires you provide your Social Security number for this form.

- DRS will use your Social Security number as a reference number and to ensure that any funds disbursed under your account are correctly reported to the IRS.
- DRS will not disclose your Social Security number unless required to do so by law.
- Internal Revenue Code sections 6041(a) and 6109 allow DRS to request your Social Security number.

If you have insurance coverage through the Public Employees Benefits Board (PEBB), we might share your information with PEBB to better serve you.



Instructions

You must name at least one primary beneficiary. Do not name yourself. If you pick more than one primary beneficiary or more than one contingent beneficiary, the total percentage(s) for each category must add up to 100%. Use whole numbers (for example, 50% and 50% or 66% and 34%).

If you have more than four beneficiaries, attach a separate sheet with the same information as below; then sign and date it. Alternatively, you can update your beneficiary information online.

If you die in the line of duty, your beneficiary(ies) could be entitled to a one-time, duty-related death benefit. The same people you name below on this form will automatically be added as your beneficiary(ies) for this benefit. If you want to name different people or put in different percentages, you can make those changes in your online account at www.drs.wa.gov/oa.

Important Definitions

Primary beneficiary: A person or entity (for example, an estate, trust, charitable organization, etc.) you choose to receive your money. After your death, we will pay all primary beneficiaries either equally or in the percentages you chose or as required by law. The total designation for your primary beneficiary selection(s) must equal 100%.

Contingent beneficiary: A person or entity you choose to receive your money if both you and all your primary beneficiaries die. The total designation for your contingent beneficiary selection(s) must equal 100%.

Beneficiary Designation

<input checked="" type="checkbox"/> Primary ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP
<input type="checkbox"/> Primary ____ % <input type="checkbox"/> Contingent ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP
<input type="checkbox"/> Primary ____ % <input type="checkbox"/> Contingent ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP
<input type="checkbox"/> Primary ____ % <input type="checkbox"/> Contingent ____ %	Name (Last, First) or Full Name of Entity		Mailing Address		
Relationship	Social Security Number	Date of Birth	City	State	ZIP

Signature Required

Pay any funds related to my account to my primary beneficiary(ies) in the percentage(s) I chose or as required by law. If any beneficiaries precede me in death, share their percentages equally among the remaining primary beneficiaries. If no primary beneficiaries survive me, send any funds to my contingent beneficiaries. All the information I have entered is true and complete. These changes replace any previous beneficiary choices I have made.

Signature	Date
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[illegible]

NOTES

MEMO OF UNDERSTANDING

This memo highlights certain provisions of the Deferred Compensation Program. For specific details, you should refer to the DCP Enrollment Booklet and Regulations.

I understand the following:

1. My gross salary will be reduced each month by the amount that I have elected to defer. It is my responsibility to ensure that my deferrals do not exceed the allowable amount specified in Internal Revenue Code 457; if they do, my employer may disallow deferral of the excess, which also may be taxed currently.
2. However, during the last three years before attaining normal retirement age, or if I am 50 years of age or older, I may be able to defer a greater portion, subject to IRS limitations. Note: For information about special provisions that allow you to exceed the monthly maximum, contact DCP.
3. My deferral cannot begin sooner than the month following Participation Agreement approval (WAC 415-501-410). My accumulated deferrals will be held in trust by the Washington State Investment Board for the exclusive benefit of participants and their beneficiaries until paid to me under the rules of the plan (WAC 415-501-580). I realize that I may not assign or transfer my rights in the plan (WAC 415-501-570).
4. I have elected to have my deferred salary invested as indicated on my Participation Agreement.
5. Earnings, if any, will be applied to my accumulated deferrals in accordance with the investment option(s) I select (WAC 415-501-475).
6. I may change or stop the amount I defer and may change my investment(s) by using the DCP website, customer service representatives, the Voice Response Unit (VRU), or by submitting the proper form. Forms are available on the DCP website or by calling the DCP Information Line.
7. I can have access to my funds upon separation. Refer to (WAC 415-501-485) for distribution details and for exceptions that allow for access to funds prior to separation from employment.
8. I may elect the date and method of distribution of my accumulated deferrals according to those methods approved by the department (WAC 415-501-485). In the event of my death, any unpaid benefits will be paid to my designated beneficiaries (WAC 415-501-486).
9. The Department of Retirement Systems retains administrative control over the plan and the Legislature retains the right to terminate the plan (WAC 415-501-530 and WAC 415-501-540).
10. Neither my employer, nor the Department of Retirement Systems, nor the Washington State Investment Board, shall be liable for the performance of investments.
11. I understand that I will receive an enrollment confirmation notice, indicating acceptance into the plan.
12. I understand that if I have not already done so, I need to read the Investment Guide. This publication is posted at www.drs.wa.gov/dcp and describes the investment funds available to me.

INFORMATION AND INSTRUCTIONS

DEFERRED COMPENSATION PROGRAM

PO Box 48380 Olympia, WA 98504-0931 • www.drs.wa.gov/dcp
Toll Free: 888.327.5596 • TTY: 711 • Fax: 360.586.5474

To enroll in DCP, please complete the *Participation Agreement* form. If you have any questions, please call the DCP Information Line toll free at 888.327.5596. For TTY, call 711.

- Read the *Memo of Understanding* regarding the *Participation Agreement*.
- Please complete all sections of this form electronically or print legibly in black ink.
- Sign, date and return the *Participation Agreement* to the address on the top of the form.
- If your employer is a political subdivision such as a school district, county or city or a higher education employer, send a copy to your payroll office. This is not required for state agency employees.
- Keep a copy for your records.

Personal Information: Use your legal name and provide all requested information.

Deferral Information: Write the monthly employee dollar amount you want to defer from your gross monthly wages. Write the employer contribution amount (*if applicable). Write the total monthly dollar amount (employee plus employer contribution). The combination of the employee monthly deferral and the employer monthly contribution cannot exceed the maximum deferral amount.

**Check with employer to see if they offer an employer contribution/match.*

In 2016, you may defer up to \$18,000 (\$1,500 monthly) or up to \$24,000 (\$2,000 monthly for participants age 50 and over) from your pay annually. If you want to defer more than \$2,000 monthly, please contact DCP. The minimum monthly contribution is \$30. Deferrals will begin on the earliest date possible, contingent upon the processing time required by your employer's payroll department and the provisions set forth in Section 457 of the Internal Revenue Code.

Investment Options: The **One-Step Investing** approach is designed for those who don't have the desire, comfort level and/or time to select their own allocation mix of funds, monitor them and make necessary changes. Each Retirement Strategy Fund is well diversified and automatically rebalances, adjusting your allocation mix as you move toward a target date that meets your needs and lifestyle.

If your target date changes, you can transfer your money to a Retirement Strategy Fund that more closely matches your revised date.

The **Build and Monitor** approach requires you to:

- Select fund(s).
- Monitor account activity.
- Rebalance your allocation mix as necessary to maintain your investment objectives.

The *DCP Enrollment Booklet* and *Fund Fact Sheets* are available to help you determine your allocation mix.

Beneficiary Designation: Complete this section by designating at least one primary beneficiary. You may designate more than one primary and one or more contingent beneficiaries. Provide each beneficiary's percentage, Social Security number, full name, mailing address, date of birth, relationship and gender.

- A **primary beneficiary** will receive the balance of the deceased participant's account if he or she survives the participant by 30 days. The total percentages for all primary beneficiaries must equal 100%. Use whole numbers (50% and 50% **or** 66% and 34%).
- A **contingent beneficiary** will receive the balance of the deceased participant's account if no primary beneficiary is still living at the time the participant dies. The total percentages for all contingent beneficiaries must equal 100%. Use whole numbers (50% and 50% **or** 66% and 34%).

To name a **trust** as beneficiary, indicate name of trust and date trust was established. A copy of the trust document should be provided.

To name your **estate** as beneficiary, write **my estate**.

In the event of participant's death, distribution to a **minor** requires the following before distribution can occur:

- **Guardian:** A copy of court documents showing the name, address and telephone number of minor's court appointed guardian, or
- **Custodian:** A copy of the trust or other documents showing power of appointment under the WA Uniform Transfers to Minors Act.



PARTICIPATION AGREEMENT

DEFERRED COMPENSATION PROGRAM

PO Box 48380 Olympia, WA 98504-0931 • www.drs.wa.gov/dcp
Toll Free: 888.327.5596 • TTY: 711 • Fax: 360.586.5474

DCP

Please read the *Information and Instructions* before completing this form.

PERSONAL INFORMATION

Social Security Number	Employer	Phone Number
Participant Name (Last, First, Middle)		Alternate Phone Number
Mailing Address	City	State ZIP
Date of Birth (mm/dd/yyyy)	Email Address	Gender <input type="checkbox"/> M <input type="checkbox"/> F

DEFERRAL INFORMATION

The 2016 monthly deferral amounts are: minimum, \$30; maximum, \$1,500; age 50 or older can defer up to \$2,000. Contact DCP if you want to defer more than \$2,000.

I authorize my employer to defer \$ _____ monthly from my paycheck(s). Monthly employer contributions on my behalf will be \$ _____. The total monthly contribution will be \$ _____. (Cannot exceed the maximum amount above.)

INVESTMENT OPTIONS

DCP offers you two different approaches to investing. For more on which approach may be right for you, read the Information and Instructions. We encourage you to choose only one of the two approaches (One-Step Investing or Build and Monitor) but provide the option for choosing both. **Total percentages must be whole and equal to 100%.**

One-Step Investing		Build and Monitor
Choosing just one fund gives you a diversified portfolio. To determine the Retirement Strategy right for you, pick your target date for retiring or withdrawing your funds.		Mix and match to create a diversified portfolio. Write the percentages in the spaces below for each fund you want to invest in.
<input type="checkbox"/> Retirement Maturity Strategy (80)	<div>↑</div> <div>CONSERVATIVE</div> <div>↓</div> <div>AGGRESSIVE</div>	(10) Savings Pool _____ %
<input type="checkbox"/> 2005 Retirement Strategy (81)		(25) Washington State Bond Fund _____ %
<input type="checkbox"/> 2010 Retirement Strategy (82)		(30) Socially Responsible Balanced Fund _____ %
<input type="checkbox"/> 2015 Retirement Strategy (83)		(11) U.S. Large Cap Equity Index Fund _____ %
<input type="checkbox"/> 2020 Retirement Strategy (84)		(13) Global Equity Index Fund _____ %
<input type="checkbox"/> 2025 Retirement Strategy (85)		(12) U.S. Small Cap Value Equity Index Fund _____ %
<input type="checkbox"/> 2030 Retirement Strategy (86)		(14) Emerging Market Equity Index Fund _____ %
<input type="checkbox"/> 2035 Retirement Strategy (87)		
<input type="checkbox"/> 2040 Retirement Strategy (88)		
<input type="checkbox"/> 2045 Retirement Strategy (89)		
<input type="checkbox"/> 2050 Retirement Strategy (91)		
<input type="checkbox"/> 2055 Retirement Strategy (92)		
<input type="checkbox"/> 2060 Retirement Strategy (93)		
Write the percentage for the selected target date: _____ %		

Important: Read before signing. I authorize my employer to deduct the amount indicated each month and transmit to the Deferred Compensation Program. I further authorize my employer to deduct any deferral changes I request through DCP in the future. This agreement will continue until further notification by me, as set forth in the plan. I understand a DCP Administrative Fee will be deducted quarterly from my account balance. I acknowledge that I have read and understand all sections of the Memo of Understanding.

Participant Signature	Date
-----------------------	------



BENEFICIARY DESIGNATION

I understand if I select more than one primary beneficiary or more than one contingent beneficiary, the total percentage(s) for each category must add up to 100% (use whole numbers, for example 50% and 50% or 66% and 34%). I wish to designate the following beneficiary(ies) in accordance with the provisions of the Plan:

<input checked="" type="checkbox"/> Primary Beneficiary		Percentage _____ %
Social Security Number	Beneficiary Name (Last, First, Middle)	Gender <input type="checkbox"/> M <input type="checkbox"/> F
Mailing Address		Date of Birth (mm/dd/yyyy)
City	State	ZIP
		Relationship

Check only one box

<input type="checkbox"/> Primary <input type="checkbox"/> Contingent		Percentage _____ %
Social Security Number	Beneficiary Name (Last, First, Middle)	Gender <input type="checkbox"/> M <input type="checkbox"/> F
Mailing Address		Date of Birth (mm/dd/yyyy)
City	State	ZIP
		Relationship

Check only one box

<input type="checkbox"/> Primary <input type="checkbox"/> Contingent		Percentage _____ %
Social Security Number	Beneficiary Name (Last, First, Middle)	Gender <input type="checkbox"/> M <input type="checkbox"/> F
Mailing Address		Date of Birth (mm/dd/yyyy)
City	State	ZIP
		Relationship

Check only one box

<input type="checkbox"/> Primary <input type="checkbox"/> Contingent		Percentage _____ %
Social Security Number	Beneficiary Name (Last, First, Middle)	Gender <input type="checkbox"/> M <input type="checkbox"/> F
Mailing Address		Date of Birth (mm/dd/yyyy)
City	State	ZIP
		Relationship

I direct any accumulated deferrals in my deferred compensation account to be paid, in the percentages indicated above, to any primary beneficiaries who survive me. If none survive, such monies will be paid, in the percentages indicated, to any contingent beneficiaries who survive me.

Participant Signature	Date
-----------------------	------

NOTES

[illegible]

[illegible]



CONTACT INFORMATION:

Department of Retirement Systems

PO Box 48380

Olympia, WA 98504-8380

664.7000

800.547.6657

TTY: 711

www.drs.wa.gov